

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0341P

**Sales and Use Tax
Calendar Years 1994, 1995, 1996**

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the penalty assessed on an audit completed on December 5, 1997.

Taxpayer failed to self-assess and remit use tax. Taxpayer is an Indiana Corporation registered to collect and remit sales tax.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer requests a waiver of penalty based upon their history of collecting and remitting tax over the past twenty years.

Taxpayer's audit revealed that no use tax accrual system was in place. The ST-103's clearly have an area in which to report purchases where no sales tax was collected. The taxpayer failed to self assess as required by statute.

The taxpayer purchased non-production supplies and equipment for its own use but failed to self assess use tax. 45 IAC 2.2-3-20 clearly states that all purchases of tangible personal property which are

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stored, used, or consumed in the state of Indiana are subject to the tax.

The taxpayer was negligent in failing to remit the use tax due.

FINDING

Taxpayer's protest is denied.